Russell Financial Services, Inc. Statement of Financial Condition

December 31, 2015

Assets Cash and cash equivalents \$ 36,156,224 Distribution fees receivable 3,235,981 Prepaid expenses and other 2,045,128 Deferred income taxes, net 586,381 Fixed assets, net 357,208 Total assets \$ 42,380,922 Liabilities and Stockholder's Equity \$ 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,370,049 Incentive compensation liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,988 Total liabilities and stockholder's equity 42,380,922			
Distribution fees receivable 3,235,981 Prepaid expenses and other 2,045,128 Deferred income taxes, net 586,381 Fixed assets, net 357,208 Total assets \$ 42,380,922 Liabilities and Stockholder's Equity Liabilities 5 Distribution fees payable 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Assets		_
Prepaid expenses and other 2,045,128 Deferred income taxes, net 586,381 Fixed assets, net 357,208 Total assets 42,380,922 Liabilities and Stockholder's Equity *** Liabilities** Distribution fees payable 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) *** Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Cash and cash equivalents	\$	36,156,224
Deferred income taxes, net 586,381 Fixed assets, net 357,208 Total assets 42,380,922 Liabilities and Stockholder's Equity Liabilities 586,381 Distribution fees payable 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) 5800,000 Stockholder's equity 5800,000 Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Distribution fees receivable		3,235,981
Fixed assets, net 357,208 Total assets 42,380,922 Liabilities and Stockholder's Equity Stabilities Distribution fees payable 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Prepaid expenses and other		2,045,128
Total assets \$ 42,380,922 Liabilities and Stockholder's Equity Distribution fees payable \$ 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Deferred income taxes, net		586,381
Liabilities and Stockholder's Equity Liabilities Distribution fees payable \$7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Fixed assets, net		357,208
Liabilities Distribution fees payable \$ 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Total assets	\$	42,380,922
Distribution fees payable \$ 7,524,011 Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Liabilities and Stockholder's Equity		
Administrative fees payable 7,956,620 Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Liabilities		
Compensation payable 7,326,403 Due to affiliates 1,504,891 Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Distribution fees payable	\$	7,524,011
Due to affiliates Accrued expenses and other liabilities Incentive compensation liabilities Total liabilities Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding Additional paid-in capital Accumulated deficit Total stockholder's equity Total stockholder's equity 15,287,989	Administrative fees payable		7,956,620
Accrued expenses and other liabilities 1,308,049 Incentive compensation liabilities 1,472,959 Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Compensation payable		7,326,403
Incentive compensation liabilities Total liabilities Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding Additional paid-in capital Accumulated deficit Total stockholder's equity 15,287,989	Due to affiliates		1,504,891
Total liabilities 27,092,933 Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Accrued expenses and other liabilities		1,308,049
Commitments, guarantees and contingencies (Notes 8, 10 and 11) Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding Additional paid-in capital Accumulated deficit Total stockholder's equity 3,868,353 Total stockholder's equity	Incentive compensation liabilities		1,472,959
Stockholder's equity Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding Additional paid-in capital Accumulated deficit Total stockholder's equity 3 3 4 5 5 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Total liabilities		27,092,933
Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Commitments, guarantees and contingencies (Notes 8, 10 and 11)	'	
issued and outstanding 3 Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Stockholder's equity		
Additional paid-in capital 11,419,633 Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	Common stock, par value \$0.10 per share; 100 shares authorized; 26 shares		
Accumulated deficit 3,868,353 Total stockholder's equity 15,287,989	issued and outstanding		3
Total stockholder's equity 15,287,989	Additional paid-in capital		11,419,633
	Accumulated deficit		3,868,353
Total liabilities and stockholder's equity \$ 42,380,922	Total stockholder's equity		15,287,989
	Total liabilities and stockholder's equity	\$	42,380,922